



BANK OF UGANDA

Improved Transparency Standards for Financial Inclusion

EXECUTIVE DIRECTOR SUPERVISION,
BANK OF UGANDA

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Mission: To Foster Price Stability and a Sound Financial System



AGENDA

- Introduction
- Uganda's experience
- Progress
- Way Forward



INTRODUCTION

- One key lesson learnt from the global financial crisis is the urgent need to place financial literacy and consumer protection on top of the national, regional and global agendas.



INTRODUCTION (2)

- The Government of Uganda, Bank of Uganda and other financial services regulators therefore have a clear interest in strengthening financial consumer protection and improving current levels of financial literacy in the country.



UGANDA'S EXPERIENCE

- Bank of Uganda commissioned GIZ (German Development Corporation) to conduct a study assist develop an Effective Framework for Financial Literacy and Financial Consumer Protection in Uganda.



UGANDA'S EXPERIENCE (2)

Purpose of the study:

- Map current arrangements, actors and initiatives in the fields of financial literacy and financial consumer protection.
- Define key elements of a strategic framework to strengthen financial literacy and financial consumer protection in Uganda; and
- Provide a roadmap for implementing this framework and to further strengthen collaboration and coordination between the various actors.



UGANDA'S EXPERIENCE (3)

Recommendations from the study:

- Develop and implement a national strategy for financial literacy, an initiative to be led by BOU, working in partnership with a wide range of stakeholders.
- BOU to appoint a high-level financial literacy advisory group, comprising senior and influential decision-makers from a range of sectors.
- BOU to convene an inclusive information sharing group for financial literacy, made up of a wide range of stakeholders and partners, for sharing information and ideas and for providing feedback.



PROGRESS

- Bank of Uganda in conjunction with the Ministry of Education & Sports initiated the roll-out of financial education to schools, colleges and universities.
- Bank of Uganda in coordination with the Uganda Capital Markets Authority (CMA) and the Uganda Insurance Commission (UIC) has developed financial consumer services protection guidelines.



PROGRESS (2)

- Uganda is progressing towards developing a national strategy on financial literacy in the country.
- Amendment of the MDI Act 2003 to bring more unregulated microfinance institutions under BOU regulation.



PROGRESS (3)

- The Credit Reference Bureau is operational, this has gone along way to reduce information asymmetry between banks and borrowers.
- It is anticipated that this will reduce interest rates on loans for borrowers with good credit.



PROGRESS (4)

Financial Services Consumer protection Guidelines issued by Bank Of Uganda;

- To promote fair and equitable financial services practices by setting the minimum standards for financial services providers in dealing with customers
- Increase transparency in order to inform and empower consumers of financial services
- Foster Confidence in the Financial Services Sector
- Provide efficient and effective mechanisms for handling consumer complaints relating to the provision of financial products and services



WAY FORWARD

Uganda's efforts towards the public attaining financial literacy will continue;

- financial literacy will assist in ensuring that financial services providers are responsive to consumers' needs.
- This will drive the financial services industry to become more efficient. As it is often said, **'An enlightened consumer is a regulator's best friend'**.



THANK YOU FOR
YOUR ATTENTION